

**CONFIDENTIAL** 2/62

14 February 1947

MEMORANDUM FOR THE DIRECTOR  
THE DEPUTY DIRECTOR

Subject: CIG-State Relations

1. A careful analysis of the extensive press comment on the amalgamation under Mr. Eddy of the State Department's intelligence offices convinces me that the State press spokesmen emphasized that there was no intention to interfere with the activities of CIG or of State's relations therewith. I know from personal inquiry that both Mr. Peurifoy (Acting Assistant Secretary for Administration) and Mr. Eddy briefed the press spokesmen.

2. I interpret this as an indication on the part of State of realization for the need of the closest possible working arrangement between CIG and State.

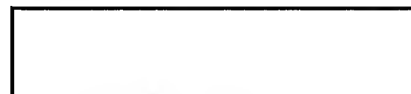
3. With the new organization State has the principal agency intelligence set-up, the one CIG may conflict with most in carrying out its mission. In peace-time CIG and State form the most important combination, just as in war CIG and War-Navy will.

4. With the amalgamation in State, and the recent granting of directive authority to the DCI both shops have received shots in the arm, but both may have budget problems if their interdependency and mutual helpfulness cannot be established to everyone's satisfaction. The results of any conflict on the Hill between CIG and General Marshall for funds or other congressional support can be prophesied with fair accuracy.

5. I, therefore, recommend that the Director of Central Intelligence arrange an early meeting between himself, his Chief of Research, Chief of ICAPS, and Mr. Eddy and his Chief of Research at which time he should make an informal statement of his realization of the dangers of duplication and unproductive overlap between the two shops; his desire that a complete program of inter-relationship be developed promptly, energetically, and positively; and that a special, formal liaison working arrangement be maintained. With the impetus of such a high-level meeting, an agreement in principle between the DCI and Mr. Eddy, the working levels should produce results.

6. In my opinion now is the psychological moment for this move. A delay or postponement would be unfortunate.

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